



LEMON GROVE SANITATION DISTRICT

DISTRICT BOARD STAFF REPORT

Item No. 1.I.

Meeting Date: June 4, 2019

Submitted to: Honorable Chair and Members of the District Board

Department: Public Works Department

Staff Contact: Mike James, Assistant City Manager

mjames@lemongrove.ca.gov

Item Title: Establishing a 2.875% Increase to the Sewer System Charge
for Fiscal Year 2019-2020

Recommended Action: Conduct the second reading, by title only, and adopt Ordinance No. 30 (Attachment A) establishing a 2.875% increase to the sewer service charge for Fiscal year 2019-2020.

Summary: On May 2, 2017, the Sanitation District Board (Board) approved a 5.75% rate increase for five consecutive years from Fiscal Year (FY) 2017-18 to FY 2021-22. At the time of approval, the Board expressed an interest in receiving an annual report that considers any reduction in recommended rate increase if financially feasible. On May 31, 2019 the Board received an annual evaluation of the District's revenues and expenditures with the assistance of Dexter Wilson Engineering, Inc. (DWE). The report was DWE was supported by staff, which was to reduce the 5.75% rate increase to 2.875% for FY 2019-20.

Discussion: On May 21, 2019, Ordinance No. 30 was introduced, by title only, and a first reading was held. Staff recommends that the District Board continue the adoption process with a second reading, by title only, and adopt Ordinance No. 30 (Attachment A) establishing a 2.875% increase to the sewer service charge for FY 2018-19.

Environmental Review:

☒ Not subject to review

☐ Negative Declaration

☐ Categorical Exemption, Section |

☐ Mitigated Negative Declaration

*Establishing a 2.875% Increase to the
Sewer System Charge for FY 2019-20*

June 4, 2019

Page | 1

Fiscal Impact: A 2.875% increase to the equivalent dwelling unit value will equal \$619.10 which will yield a total estimated annual gross revenue of \$6,738,903 in Fiscal Year 2019-2020.

Public Notification: None.

Staff Recommendation: Conduct the second reading, by title only, and adopt Ordinance No. 30 (Attachment A) establishing a 2.875% increase to the sewer service charge for Fiscal year 2019-2020.

Attachment:

Attachment A – Ordinance No. 30

ORDINANCE NO. 30

**AN ORDINANCE AMENDING ORDINANCE NO. 28 OF THE LEMON GROVE
SANITATION DISTRICT DESCRIBING METHODS FOR CALCULATING SEWER
USE CHARGES AND REPEALING ORDINANCE NO. 29**

The Board of Directors of the Lemon Grove Sanitation District does ordain as follows:

SECTION 1. Ordinance No. 28, Article III shall be amended to read as follows:

ARTICLE III

SEWER SERVICE CHARGES

SECTION 30. ESTABLISHMENT OF SEWER SERVICE CHARGE. There is hereby levied and assessed upon each premise within the district that discharges sewage into the sewer lines of the District and upon each person owning, letting or occupying such premises an annual sewer service charge.

The annual sewer service charge is made up of two components. The first component is generally based on the District's annual cost to collect and transport wastewater, and is equally divided among the number of equivalent dwelling units (EDUs) connected to the District's system. The second component is generally the District's cost for wastewater treatment and disposal as fees paid to the City of San Diego for capacity and use of the San Diego Metropolitan Sewer System, and is allocated to users of the District's system based on the users generation of annual wastewater flow, biochemical oxygen demand, and suspended solids discharged into the District's system.

For the purpose of this ordinance, the discharge characteristics of an average single family user is one EDU and shall be composed of wastewater flow of 240 gallons per day for 365 days per year and constituent levels of sewage strength of 200 milligrams per liter (mg/l) biochemical oxygen demand (BOD) and 200 milligrams per liter (mg/l) suspended solids (SS).

For the purpose of this ordinance, the discharge characteristics of commercial/industrial users is a minimum sewer capacity of 1.2 EDU for each business unit with flow quantity and strength as measured by BOD and SS as set forth in the current edition of the California State Water Resources Control Board (State) publication "*Policy For Implementing The State Revolving Fund For Construction Of Wastewater Treatment Facilities*", or comparable industry standards acceptable to the State and approved by the District's Engineer. Minimum sewage strength capacity per commercial/industrial EDU is 200 mg/l BOD and mg/l SS.

The flow and strength rate EDUs are determined for individual business units as set forth herein in Section 30.3 and are applicable to each of the various District's users under the jurisdiction of this Ordinance. The District's Engineer shall assign flow rates, BOD, and SS based upon the estimated amount of and strength of wastewater that is typically generated for each business unit. The EDUs, flow rates, BOD, and SS so assigned shall be used in computing the sewer service charges.

If potable water delivered through the water meter is used by the District to estimate the volume of wastewater discharged over a period of time, then 90% of water meter flow is estimated to be discharged into the sewer unless the discharger or legal owner presents evidence to the contrary and this evidence is satisfactory to the District's Engineer. The District's Engineer may adjust the charges for wastewater treatment and disposal in proportion to the estimated volume of wastewater discharged to the sewer.

SECTION 30.1 Annual Sewer Service charges shall be determined by the following formula (rounded to the nearest dollar):

$$SSC = (n/N \times D) + (f/F \times M_F) + (s/S \times M_S) + (b/B \times M_b)$$

In the above formula, the following terms have the meanings and definitions as shown:

- n = Number of EDUs assigned to a particular user. EDUs are assigned as follows: 1.0 EDU each for single family dwellings, condominiums, each living unit of a multi-family dwelling, and each space for a mobile home park. Commercial/Industrial users are assigned a minimum of 1.2 EDUs, and additional EDUs may be assigned based upon Section 30.3 of this ordinance.
- f = Flow of a particular user in million gallons per year, based either upon assigned EDUs or water meter records.
- s = Suspended Solids of a particular user in pounds per year, based either upon State standards or comparable industry standards approved by the State.
- b = Biochemical Oxygen Demand of a particular user in pounds per year, based either upon State standards or comparable industry standards approved by the State.
- N = Total number of EDUs in the District. This is a summation of the EDUs assigned to all users.
- D = District budgeted costs for the fiscal year in dollars, to collect and transport wastewater. This is a net cost for District customers after non-operating revenues have been subtracted from the total District budget costs. Such budgeted costs shall include, but not be limited to operation and maintenance costs of pipelines, pump stations, and meter stations; design and construction cost of replacement facilities; and administration costs including fee collection, accounting, record maintenance, planning and code enforcement.
- M = Total District budgeted cost for the fiscal year in dollars, for treatment and disposal of wastewater. Such cost shall include, but not necessarily be limited to, fees paid to the City of San Diego for capacity in and use of the Metro System. The Metro treatment and disposal costs are further divided into cost categories as determined by the City of San Diego and allocated as follows: Flow Cost = M_F (43.7% costs); BOD Cost = M_b (30.1% of costs) and SS Cost = M_s (26.2% of costs).

F = Total flow in the District in million gallons per year from a summation of users' flows, based either upon assigned EDUs or potable water meter records.

S = Total Suspended Solids in the District impounds per year, from a summation of users' SS loading, based either upon State standards, or comparable industry standards approved by the State.

B = Total Biochemical Oxygen Demand in the District impounds per year from a summation of users' BOD loading, based either upon State standards, or comparable industry standards approved by the State.

SECTION 30.2 The SSC for the Lemon Grove Sanitation District for residential units are as follows:

FISCAL YEAR 2019-2020:

<u>Type</u>	<u>EDU Capacity</u>	<u>Estimated Flow</u>	<u>Annual SSC</u>
Single Family	1	240 gpd	\$619.10
Condominium	1	240 gpd	\$619.10
Multi-Family	1	240 gpd*	\$619.10
Mobile Home	1	240 gpd*	\$619.10

*Note that rates may be adjusted to reflect flow based upon potable water records.

SECTION 30.3 Assignment of sewer capacity for Commercial/ Industrial business units shall be assigned in terms of EDUs. The minimum charge per commercial unit shall be 1.2 EDUs or \$742.92 per annum during FY 19/20. Higher charges will be assessed for commercial/industrial EDU's with sewage strength higher than combined 400 mg/l BOD and SS. Flow based sewer capacity to business units shall be assigned as described in Section 50.3.

SECTION 50.3 COMMERCIAL/INDUSTRIAL FACILITIES

Sewer capacity for Commercial/Industrial business units shall be assigned in terms of Equivalent Dwelling Units as follows:

a. Food Service Establishments

EDUs

- | | | |
|----|--|-------------|
| 1) | Take-out Restaurants with disposable Utensils, no dishwasher, and no public rest rooms. | 3.0 |
| 2) | Miscellaneous food establishments-ice-cream/yogurt shops, bakeries (sales on premises only). | 3.0 |
| 3) | (I)Take-out/eat in restaurants with disposable utensils, but with seating and public rest rooms. | 3.0 minimum |
| | (II) Restaurants with re-usable utensils, seating and public rest rooms. | 3.0 minimum |

One EDU is assigned for each 6-seat unit as follows:

	0 – 18 seats=	3.0 minimum
	Each additional 6-seat unit will be assigned	1.0
b.	Hotels and Motels	
	1) Per living unit without kitchen	0.38
	2) Per living unit with kitchen	0.60
c.	Commercial, Professional, Industrial Buildings, Establishments not specifically listed herein.	
	1) Any office, store, or industrial condominium or establishment. First 1,000 sq. ft.	1.20
	Each additional 1,000 sq. ft. or portion thereof	0.70
	2) Where occupancy type or usage is unknown at the time of application for service, the following EDUs shall apply. This shall include but not be limited to shopping centers, industrial parks, and professional office buildings.	
	First 1,000 square feet of gross building floor area.	1.20
	Each additional 1,000 square feet of gross Building floor area. Portions less than 1,000 square feet will be prorated.	0.70
d.	Self-service laundry per washer	1.00
e.	Churches, theaters and auditoriums per each 150 person seating capacity, or any fraction thereof. (Does not include office spaces school rooms, day care facilities, food preparation areas, etc. Additional EDUs will be assigned for these supplementary uses.)	1.50
f.	Schools	
	Elementary schools for 50 pupils or fewer	1.00
	Junior High Schools for 40 pupils or fewer values	1.00

High School
for 24 pupils or fewer

1.00

Additional EDUs will be prorated based upon the above values.

The number of pupils shall be based on the average daily attendance of pupils at the school during the preceding fiscal year, computed in accordance with the education code of the State of California. However, where the school has had no attendance during the preceding fiscal year, the Director shall estimate the average daily attendance for the fiscal year for which the fee is to be paid and compute the fee based on such estimate.

SECTION 2. DATE OF LEVY OF NEW CHARGES. The Charges referenced above shall take effect on July 1, 2019 in the manner allowed by law.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lemon Grove, California, does ordain as follows:

Section 1. The foregoing recitals are true and correct.

Section 2. This Ordinance shall be effective thirty (30) days following its adoption. Within fifteen (15) days following its adoption, the City Clerk shall publish the title thereof, as a summary as required by state law.

INTRODUCED by the City Council on _____, 2019. **PASSED AND ADOPTED** by the City Council of the City of Lemon Grove, State of California, on _____, 2019 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Racquel Vasquez, Mayor

Attest:

Shelley Chapel, MMC, City Clerk

Approved as to Form:

Kristen Steinke, City Attorney